

111TH CONGRESS
1ST SESSION

H. R. 3722

To amend the Small Business Investment Act of 1958 to improve the New Markets Venture Capital and Renewable Fuel Capital Investment Programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2009

Mrs. KIRKPATRICK of Arizona introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Investment Act of 1958 to improve the New Markets Venture Capital and Renewable Fuel Capital Investment Programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Enhanced New Mar-
5 kets and Expanded Investment in Renewable Energy for
6 Small Manufacturers Act of 2009”.

1 **TITLE I—ENHANCED NEW MAR-**
2 **KETS VENTURE CAPITAL**
3 **PROGRAM**

4 **SEC. 101. EXPANSION OF NEW MARKETS VENTURE CAPITAL**
5 **PROGRAM.**

6 (a) ADMINISTRATION PARTICIPATION REQUIRED.—
7 Section 353 of the Small Business Investment Act of 1958
8 (15 U.S.C. 689b) is amended by striking “under which
9 the Administrator may” and inserting “under which the
10 Administrator shall”.

11 (b) REPORT TO CONGRESS.—Not later than 1 year
12 after the date of the enactment of this Act, the Adminis-
13 trator of the Small Business Administration shall submit
14 to Congress a report describing any expansion of the New
15 Markets Venture Capital Program as a result of this sec-
16 tion.

17 **SEC. 102. IMPROVED NATIONWIDE DISTRIBUTION.**

18 Section 354 of the Small Business Investment Act
19 of 1958 (15 U.S.C. 689c) is amended by adding at the
20 end the following:

21 “(f) GEOGRAPHIC EXPANSION.—From among com-
22 panies submitting applications under subsection (b), the
23 Administrator shall consider the selection criteria and pro-
24 motion of nationwide distribution under subsection (c) and
25 shall, to the extent practicable, approve at least one com-

pany from each geographic region of the Small Business Administration.”.

**SEC. 103. INCREASED INVESTMENT IN SMALL BUSINESS
CONCERNS ENGAGED PRIMARILY IN MANUFACTURING.**

(a) DEVELOPMENTAL VENTURE CAPITAL AND PARTICIPATION AGREEMENTS.—Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

(1) in paragraph (1) by inserting after “geographic areas” the following: “or encouraging the growth or continuation of small business concerns located in low-income geographic areas and engaged primarily in manufacturing”; and

(2) in paragraph (6)(B) by inserting after “geographic areas” the following: “or in small business concerns located in low-income geographic areas at least 80 percent of which are engaged primarily in manufacturing”.

(b) PURPOSES.—Section 352(2) of the Small Business Investment Act of 1958 (15 U.S.C. 689a(2)) is amended—

(1) in the matter preceding subparagraph (A) by inserting after “geographic areas” the following: “and small business concerns located in low-income

1 geographic areas and engaged primarily in manufac-
 2 turing”;

3 (2) in subparagraph (B) by inserting after “ge-
 4 ographic areas” the following: “or in small business
 5 concerns located in low-income geographic areas and
 6 engaged primarily in manufacturing”; and

7 (3) in subparagraph (C) by inserting after
 8 “smaller enterprises” the following: “and small busi-
 9 ness concerns”.

10 (c) ELIGIBILITY, APPLICATIONS, AND REQUIRE-
 11 MENTS FOR FINAL APPROVAL.—Section 354 of the Small
 12 Business Investment Act of 1958 (15 U.S.C. 689c), as
 13 amended by this Act, is further amended—

14 (1) in subsection (a)(3) by inserting after “geo-
 15 graphic areas” the following: “or investing in small
 16 business concerns located in low-income geographic
 17 areas and engaged primarily in manufacturing”;

18 (2) in subsection (b)—

19 (A) in paragraph (1) by inserting after
 20 “geographic areas” the following: “or in small
 21 business concerns located in low-income geo-
 22 graphic areas and engaged primarily in manu-
 23 facturing”; and

1 (B) in paragraph (4) by inserting after
2 “smaller enterprises” the following: “or small
3 business concerns”; and
4 (3) in subsection (d)—

5 (A) in paragraph (1)—

6 (i) by striking “Each” and inserting
7 the following:

8 “(A) IN GENERAL.—Except as provided in
9 subparagraph (B), each”; and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(B) SMALL BUSINESS CONCERNS EN-
13 GAGED PRIMARILY IN MANUFACTURING.—Each
14 conditionally approved company engaged pri-
15 marily in development of and investment in
16 small business concerns located in low-income
17 geographic areas and engaged primarily in
18 manufacturing shall raise not less than
19 \$3,000,000 of private capital or binding capital
20 commitments from one or more investors (other
21 than agencies or departments of the Federal
22 Government) who met criteria established by
23 the Administrator.”; and

1 (B) in paragraph (2)(A) by inserting after
 2 “smaller enterprises” the following: “or small
 3 business concerns”.

4 (d) OPERATIONAL ASSISTANCE GRANTS.—Section
 5 358 of the Small Business Investment Act of 1958 (15
 6 U.S.C. 689g) is amended—

7 (1) in subsection (a)(1) by inserting after
 8 “smaller enterprises” the following: “and small busi-
 9 ness concerns”; and

10 (2) in subsection (b)(1) by inserting after
 11 “smaller enterprises” the following: “and small busi-
 12 ness concerns”.

13 **SEC. 104. EXPANDED USES FOR OPERATIONAL ASSISTANCE**
 14 **IN MANUFACTURING.**

15 Section 351 of the Small Business Investment Act
 16 of 1958 (15 U.S.C. 689), as amended by this Act, is fur-
 17 ther amended in paragraph (5) by inserting after “busi-
 18 ness development” the following: “or assistance that as-
 19 sists a small business concern located in a low-income geo-
 20 graphic area and engaged primarily in manufacturing with
 21 retooling, updating, or replacing machinery or equip-
 22 ment”.

1 **SEC. 105. UPDATING DEFINITION OF LOW-INCOME GEO-**
2 **GRAPHIC AREA.**

3 Section 351 of the Small Business Investment Act
4 of 1958 (15 U.S.C. 689), as amended by this Act, is fur-
5 ther amended—

6 (1) by striking paragraphs (2) and (3);

7 (2) by inserting after paragraph (1) the fol-
8 lowing:

9 “(2) LOW-INCOME GEOGRAPHIC AREA.—The
10 term ‘low-income geographic area’ has the meaning
11 given the term ‘low-income community’ in section
12 45D(e) of the Internal Revenue Code of 1986.”; and

13 (3) by redesignating paragraphs (4) through
14 (8) as paragraphs (3) through (7), respectively.

15 **SEC. 106. EXPANDING OPERATIONAL ASSISTANCE TO CON-**
16 **DITIONALLY APPROVED COMPANIES.**

17 Section 358(a) of the Small Business Investment Act
18 of 1958 (15 U.S.C. 689g(a)) is amended by adding at the
19 end the following:

20 “(6) GRANTS TO CONDITIONALLY APPROVED
21 COMPANIES.—

22 “(A) IN GENERAL.—Subject to the provi-
23 sions of this paragraph, upon the request of a
24 company conditionally approved under section
25 354(c), the Administrator shall make a grant to
26 the company under this subsection.

1 “(B) REPAYMENT BY COMPANIES NOT AP-
 2 PROVED.—If a company receives a grant under
 3 this paragraph and does not receive final ap-
 4 proval under section 354(e), the company shall
 5 repay the amount of the grant to the Adminis-
 6 trator.

7 “(C) DEDUCTION FROM GRANT TO AP-
 8 PROVED COMPANY.—If a company receives a
 9 grant under this paragraph and receives final
 10 approval under section 354(e), the Adminis-
 11 trator shall deduct the amount of such grant
 12 from the amount of any immediately succeeding
 13 grant the company receives for operational as-
 14 sistance.

15 “(D) AMOUNT OF GRANT.—No company
 16 may receive a grant of more than \$50,000
 17 under this paragraph.”.

18 **SEC. 107. LIMITATION ON TIME FOR FINAL APPROVAL.**

19 Section 354(d) of the Small Business Investment Act
 20 of 1958 (15 U.S.C. 689c(d)) is amended in the matter
 21 preceding paragraph (1) by striking “a period of time, not
 22 to exceed 2 years,” and inserting “2 years”.

1 **SEC. 108. STREAMLINED APPLICATION FOR NEW MARKETS**
 2 **VENTURE CAPITAL PROGRAM.**

3 Not later than 60 days after the date of the enact-
 4 ment of this Act, the Administrator of the Small Business
 5 Administration shall prescribe standard documents for a
 6 New Markets Venture Capital company final approval ap-
 7 plication under section 354(e) of the Small Business In-
 8 vestment Act of 1958 (15 U.S.C. 689c(e)). The Adminis-
 9 trator shall ensure that the standard documents are de-
 10 signed to substantially reduce the cost burden of the appli-
 11 cation process for companies.

12 **SEC. 109. ELIMINATION OF MATCHING REQUIREMENT.**

13 Section 354(d)(2)(A)(i) of the Small Business Invest-
 14 ment Act of 1958 (15 U.S.C. 689c(d)(2)(A)(i)) is amend-
 15 ed—

16 (1) in subclause (I) by adding “and” at the
 17 end;

18 (2) in subclause (II) by striking “and” at the
 19 end; and

20 (3) by striking subclause (III).

21 **SEC. 110. SIMPLIFIED FORMULA FOR OPERATIONAL AS-**
 22 **SISTANCE GRANTS.**

23 Section 358(a)(4)(A) of the Small Business Invest-
 24 ment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amend-
 25 ed—

1 (1) by striking “shall be equal to” and all that
 2 follows through the period at the end and inserting
 3 “shall be equal to the lesser of—”; and

4 (2) by adding at the end the following:

5 “(i) 10 percent of the resources (in
 6 cash or in-kind) raised by the company
 7 under section 354(d)(2); or

8 “(ii) \$1,000,000.”.

9 **SEC. 111. AUTHORIZATION OF APPROPRIATIONS AND EN-**
 10 **HANCED ALLOCATION FOR SMALL MANUFAC-**
 11 **TURING.**

12 Section 368(a) of the Small Business Investment Act
 13 of 1958 (15 U.S.C. 689q(a)) is amended—

14 (1) in the matter preceding paragraph (1) by
 15 striking “fiscal years 2001 through 2006” and in-
 16 serting “fiscal years 2010 and 2011”;

17 (2) in paragraph (1)—

18 (A) by striking “\$150,000,000” and in-
 19 serting “\$100,000,000”; and

20 (B) by inserting before the period at the
 21 end the following: “, of which not less than 50
 22 percent shall be used to guarantee debentures
 23 of companies engaged primarily in development
 24 of and investment in small business concerns lo-

1 cated in low-income geographic areas and en-
 2 gaged primarily in manufacturing”; and

3 (3) in paragraph (2)—

4 (A) by striking “\$30,000,000” and insert-
 5 ing “\$20,000,000”; and

6 (B) by inserting before the period at the
 7 end the following: “, of which not less than 50
 8 percent shall be used to make grants to compa-
 9 nies engaged primarily in development of and
 10 investment in small business concerns located in
 11 low-income geographic areas and engaged pri-
 12 marily in manufacturing”.

13 **TITLE II—EXPANDED INVEST-**
 14 **MENT IN SMALL BUSINESS**
 15 **RENEWABLE ENERGY**

16 **SEC. 201. EXPANDED INVESTMENT IN RENEWABLE EN-**
 17 **ERGY.**

18 Part C of title III of the Small Business Investment
 19 Act of 1958 (15 U.S.C. 690 et seq.) is amended—

20 (1) in the heading by striking “**RENEWABLE**
 21 **FUEL CAPITAL INVESTMENT**” and inserting “**RE-**
 22 **NEWABLE ENERGY CAPITAL INVESTMENT**”;

23 (2) in the heading of paragraph (4) of section
 24 381 by striking “RENEWABLE FUEL CAPITAL IN-

1 VESTMENT” and inserting “RENEWABLE ENERGY
2 CAPITAL INVESTMENT”;

3 (3) in the heading of section 384 by striking
4 “**RENEWABLE FUEL CAPITAL INVESTMENT**” and
5 inserting “**RENEWABLE ENERGY CAPITAL IN-**
6 **VESTMENT**”; and

7 (4) by striking “Renewable Fuel Capital Invest-
8 ment” each place it appears and inserting “Renew-
9 able Energy Capital Investment”.

10 **SEC. 202. RENEWABLE ENERGY CAPITAL INVESTMENT PRO-**
11 **GRAM MADE PERMANENT.**

12 Part C of title III of the Small Business Investment
13 Act of 1958 (15 U.S.C. 690 et seq.), as amended by this
14 Act, is further amended—

15 (1) in the heading by striking “**PILOT**”; and

16 (2) by striking section 398.

17 **SEC. 203. EXPANDED ELIGIBILITY FOR SMALL BUSINESSES.**

18 Part C of title III of the Small Business Investment
19 Act of 1958 (15 U.S.C. 690 et seq.), as amended by this
20 Act, is further amended by striking “smaller enterprises”
21 each place it appears and inserting “small business con-
22 cerns”.

1 **SEC. 204. EXPANDED USES FOR OPERATIONAL ASSISTANCE**
2 **IN MANUFACTURING AND SMALL BUSI-**
3 **NESSES.**

4 Section 381(1) of the Small Business Investment Act
5 of 1958 (15 U.S.C. 690(1)) is amended by inserting after
6 “business development” the following: “, assistance that
7 assists a small business concern to reduce energy con-
8 sumption, or assistance that assists a small business con-
9 cern engaged primarily in manufacturing with retooling,
10 updating, or replacing machinery or equipment”.

11 **SEC. 205. EXPANSION OF RENEWABLE ENERGY CAPITAL IN-**
12 **VESTMENT PROGRAM.**

13 (a) ADMINISTRATION PARTICIPATION REQUIRED.—
14 Section 383 of the Small Business Investment Act of 1958
15 (15 U.S.C. 690b) is amended by striking “under which
16 the Administrator may” and inserting “under which the
17 Administrator shall”.

18 (b) REPORT TO CONGRESS.—Not later than 1 year
19 after the date of the enactment of this Act, the Adminis-
20 trator of the Small Business Administration shall submit
21 to Congress a report describing any expansion of the Re-
22 newable Energy Capital Investment Program as a result
23 of this section.

1 **SEC. 206. SIMPLIFIED FEE STRUCTURE TO EXPEDITE IM-**
2 **PLEMENTATION.**

3 Section 387(a) of the Small Business Investment Act
4 of 1958 (15 U.S.C. 690f(a)) is amended by striking “or
5 grant”.

6 **SEC. 207. INCREASED OPERATIONAL ASSISTANCE GRANTS.**

7 Section 397(a) of the Small Business Investment Act
8 of 1958 (15 U.S.C. 690p(a)) is amended by inserting after
9 “and 2009” the following: “and \$30,000,000 in such
10 grants for each of fiscal years 2010 and 2011”.

11 **SEC. 208. AUTHORIZATIONS OF APPROPRIATIONS.**

12 Section 397 of the Small Business Investment Act
13 of 1958 (15 U.S.C. 690p) is amended—

14 (1) in the heading by inserting after “**APPRO-**
15 **PRIATIONS**” the following: “**AND PROGRAM LEV-**
16 **ELS**”; and

17 (2) by adding at the end the following:

18 “(c) PROGRAM LEVELS.—For the programs author-
19 ized by this part, the Administration is authorized to make
20 \$1,000,000,000 in guarantees of debentures for each of
21 fiscal years 2010 and 2011.”.

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